

## 37 Am. Jur. 2d Fraud and Deceit § 130

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### Fraud and Deceit

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#### IV. False Representations

##### F. Intent to Deceive, or to Induce Reliance; Knowledge of Falsity

###### 3. Particular Kinds of Representations, Transactions, Relief, etc.

###### b. Negligent Misrepresentation

## § 130. Inducement of reliance

[Topic Summary](#) | [Correlation Table](#) | [References](#)

### West's Key Number Digest

West's Key Number Digest, [Fraud](#) 13(3)

In some jurisdictions, in addition to the requirement that the plaintiff must justifiably rely on the defendant's representation, the plaintiff must show that the defendant knew or should have known the representation would induce reliance on the part of the plaintiff<sup>1</sup> or that the defendant made the representation with the intent to induce another's reliance on the fact misrepresented.<sup>2</sup> Where the very instrument that creates the required "relation of duty" to support a claim of negligent misrepresentation expressly provides that neither party is relying upon representations or statements not contained in the contract, there can be no cause of action based on negligent statements or promises allegedly made before such a contract is executed.<sup>3</sup>

## CUMULATIVE SUPPLEMENT

### Cases:

Defendant could not be held liable for negligent misrepresentation in connection with contract, where it had no special knowledge with respect to alleged misrepresented facts, which were all a matter of public record. [Chestnut Holdings of New York, Inc. v. LNR Partners, LLC](#), 106 A.D.3d 575, 965 N.Y.S.2d 470 (1st Dep't 2013).

## [END OF SUPPLEMENT]

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Footnotes

1 F:[A J Kikson v. Underwriters Laboratories, Inc.](#), 492 F.3d 794 (7th Cir. 2007) (applying Illinois law); [Lavine v. American Airlines, Inc.](#), 2011 WL 6003609 (Md. Ct. Spec. App. 2011).  
A claim for negligent misrepresentation may be made when the misrepresented facts induced the plaintiff to enter a contract or business transaction. [Armstrong v. Collins](#), 366 S.C. 204, 621 S.E.2d 368 (Ct. App. 2005).

2 [Kremen v. Cohen](#), 99 F. Supp. 2d 1168 (N.D. Cal. 2000), aff'd in part, rev'd in part and remanded on other grounds, 337 F.3d 1024 (9th Cir. 2003) (applying California law).

3 [Chase Manhattan Bank, N.A. v. Edwards](#), 87 A.D.2d 935, 450 N.Y.S.2d 76 (3d Dep't 1982), order aff'd, 59 N.Y.2d 817, 464 N.Y.S.2d 739, 451 N.E.2d 486 (1983).

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